

SPECIAL REPORT

THE GOP SPECIAL-INTEREST CONGRESS HAS BLOCKED INITIATIVES FOR WORKING FAMILIES



House Democratic Policy Committee
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Groups Who Have Given to GOP Congress	Contributions to GOP Candidates & Party Committees, 97 - 98	Contributions to GOP Candidates & Party Committees, 99 - June 00	What These Groups Have Gotten From GOP Congress
Citizens for Better Medicare (Drug Cos.)	\$6.5 Million	\$7.5 Million	Have Blocked A Prescription Drug Benefit for Seniors
Health Benefits Coalition (HMOs & Employers)	\$7.6 Million	\$4.8 Million	Have Blocked <u>Real</u> Managed Care Reform
Business & Employer Groups*	\$2.6 Million	\$2.7 Million	Have Delayed Minimum Wage Increase
Christian Coalition, Eagle Forum & Trad. Values Coal.	\$400,000	\$75,400	Have Blocked Pro-Public Education Measures
Gun Lobby	\$1.9 Million	\$2.0 Million	Have Blocked Sensible Gun Safety Measures
Overall Contributions (Much from Big-Money Donors)	\$265 Million**	\$375 Million**	Have Blocked Campaign Finance Reform

*National Federation of Independent Business, Chamber of Commerce, National Restaurant Association, National Retail Federation, National Association of Convenience Stores

**These figures are only contributions to GOP party committees.

THE GOP SPECIAL-INTEREST CONGRESS HAS BLOCKED INITIATIVES FOR WORKING FAMILIES

“Big money in Washington is now controlling the legislative calendar. We’re not acting on an HMO Patients’ Bill of Rights, prescription drugs for seniors, better education, and a number of other issues because we’re gridlocked by the special interests.”

Sen. John McCain, Hardball with Chris Matthews, 10/12/00

The American public doesn’t have to take Congressional Democrats’ word that big-money special interests have been controlling the legislative calendar of the GOP-controlled Congress over the last two years – blocking such key initiatives as prescription drugs for seniors, an HMO Patients’ Bill of Rights, and better education. This indictment of the GOP-controlled Congress was recently made, as seen above, by none other than Republican Senator John McCain!!

This DPC Special Report will document how the House and Senate Republican leadership have spent the last two years working with big-money special interests to block key legislative initiatives that are widely supported by the American public – including such bipartisan initiatives as the Norwood-Dingell Patients’ Bill of Rights, the Johnson-Rangel School Modernization Initiative, and the McCain-Feingold Campaign Finance Reform Bill.

As the GOP 106th Congress comes to a close, it is truly remarkable how little has been accomplished. Instead, as this special report shows:

- C Working with the drug companies, the GOP leadership has blocked a Medicare prescription drug benefit for seniors;
- C Working with the HMO and health insurance industries and employer groups, the GOP leadership has blocked real managed care reform;
- C Working with employer groups, the GOP leadership has delayed a minimum wage increase for hard-pressed working families for three years;
- C Working with the Religious Right, the GOP leadership has blocked measures to improve public education;
- C Working with the gun lobby, the GOP leadership has blocked common-sense gun safety measures; and
- C Working with big-money donors, the GOP leadership has blocked bipartisan, meaningful campaign finance reform.

I. Working with Drug Companies, GOP Leadership Has Blocked A Medicare Prescription Drug Benefit for Seniors

"The drug industry has pulled out all the stops this past year to protect its high profit margins. It has invaded America's homes through our televisions and mailboxes with a...campaign of misleading information designed to muddy the waters and stall prescription drug coverage for America's seniors."

Congress Watch

"There isn't any other industry [besides pharmaceuticals] that has spent this kind of money on an election."

-Kathleen Hall Jamieson, Dean, Annenberg School for Communication, University of Pennsylvania

A first key issue where the GOP leadership has worked with their special-interest allies is spending two years BLOCKING a real prescription benefit for seniors through the Medicare program. The American public strongly supports providing seniors prescription coverage through Medicare. Indeed, a typical finding from a recent Emily's List poll found that 60% of Americans favor providing prescription coverage to seniors through the Medicare program (the Democratic plan), compared to 32% favoring using private insurance companies to cover seniors (the GOP plan).

However, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies – drug companies that vehemently oppose a real Medicare prescription benefit for seniors because they claim it would endanger their record profits. Indeed, drug companies have been allies of the Republican Party for years -- making major campaign contributions to GOP candidates and party committees. Then, in 1999, the pharmaceutical industry created a group deceptively entitled "Citizens for Better Medicare" – a group specifically created to defeat President Clinton's proposal to establish a Medicare prescription drug benefit. This election cycle, the members of Citizens for Better Medicare have been significant contributors to GOP candidates and party committees. As will be seen below, as of June 2000, the members of Citizens for Better Medicare had already given \$7.5 million this cycle – with millions more likely given in the last few months.

The Pharmaceutical Industry Has Launched An Extraordinary Effort to Block Prescription Drug Coverage for Seniors

"By deploying an army of lobbyists and making huge campaign contributions, the drug industry has succeeded in blocking a comprehensive Medicare drug benefit that reins in sky-high drug costs."

-Public Citizen

As was mentioned above, the pharmaceutical industry, their employees, and front organizations they have created, such as the so-called "Citizens for Better Medicare," are spending huge amounts to block legislation that would create a real prescription drug benefit

for seniors. As the Wall Street Journal recently put it, *“The pharmaceuticals industry is spending unprecedented sums of money in this year’s elections.”* Following is a brief overview of some of the pharmaceutical industry’s activities over the last few years:

- C Between 1997 and 1999, the pharmaceutical industry spent a staggering **\$235.7 million lobbying** Congress and the Executive Branch, not including money spent on direct mail and issue advertising.
- C The pharmaceutical industry has hired **297 registered lobbyists**. **That is one lobbyist for every two members of Congress!**
- C The Pharmaceutical Research and Manufacturers Association of America (PhRMA) budgeted **\$22 million for advertising this year alone** to improve their poor image with Americans concerned about out-of-control prescription drug prices and to oppose a Medicare prescription drug benefit.

The Activities of “Citizens for Better Medicare” in Working to Defeat A Medicare Prescription Drug Benefit

“The real faces behind ‘Citizens for Better Medicare’ are not those of the elderly, but those of the high-profit pharmaceutical corporations.”

-Vice President Al Gore

As was mentioned above, in 1999, the drug companies’ regular lobby, the Pharmaceutical Research and Manufacturers of America (PhRMA), created the innocuous-sounding “Citizens for Better Medicare” to serve as a front group for drug companies. The drug industry then proceeded to finance a campaign of deceptive advertisements through this group. This campaign buffeted Americans with wave after wave of deceptive advertising designed to protect the industry’s multibillion-dollar profits. Public Citizen’s Congress Watch found Citizens for Better Medicare to be a collection of “shills, seedy direct-mail operatives and industry-funded research and lobby groups working in tight coordination with the drug lobby.”

Here are some key facts about the activities of Citizens for Better Medicare in working to kill a Medicare prescription drug benefit over the last two years.

- C Citizens for Better Medicare **IS NOT a grassroots organization**. It was founded primarily by members of the Pharmaceutical Research and Manufacturers Association of America – (an industry trade group for the nation’s drug industry). **“The organization is not what we were led to believe. It’s a paper organization.”** stated Dr. Wayne Kong, chief executive of the Association of Black Cardiologists.
- C Citizens for Better Medicare is now spending more than **\$1 million a week** on campaign-related issue ads opposing a prescription drug benefit in Medicare.
- C In the 1999-2000 election cycle, the members of the Citizens for Better Medicare have contributed about **\$7.5 million** in soft money, PAC, and individual contributions to Republican candidates and party committees.

- C Citizens for Better Medicare has **spent at least \$35 million** on ads against the Democratic prescription drug benefit plan in 2000 alone, and has **spent as much as \$65 million total** on the campaign to prevent passage of a prescription drug plan in Medicare.
- C Citizens for Better Medicare is **attempting to hide its true nature**, that it is nothing more than the industry's mouthpiece, by changing its tax status from "Section 527" to become a non-profit 501(c) organization. By changing its tax status, the group will not have to report its corporate support, donors and spending under campaign finance reform pushed into law by Democrats effective July 1, 2000.
- C Citizens for Better Medicare is **so closely tied to the Republican party that they even share the same media company**. Republican media consultant Alex Castellanos, who created and placed Citizens for Better Medicare's ads, also has places commercials for the Bush for President campaign and is developing issue ads for the Republican National Committee. (Indeed, this is the same consultant who cooked up the controversial "RATS" television ad for the Republicans.)
- C **Citizens for Better Medicare is so closely tied to the drug industry** that its IRS Section 527 report lists it as "connected" to the Pharmaceutical Research and Manufacturers Association of America, double-talk for the fact that it is funded and controlled by PhRMA. Citizens for Better Medicare's Executive Director, Tim Ryan, was the marketing director for PhRMA until he accepted the job heading up Citizens for Better Medicare.

Some Key Facts About Campaign Contributions by the Drug Companies

Republican House members constitute 21 of the top 25 recipients of campaign contributions from prescription drug industry PACs and individuals in 1999-2000. In total, **these 21 Republicans received \$717,708 from the drug industry in just the current election cycle**. The 21 big-money recipients include top Republican leaders.

Since 1993, House Speaker Dennis Hastert has received \$101,000; Majority Leader Tom Delay has received \$78,000; and House Commerce Committee Chairman Thomas Bliley has received \$110,631. Other top recipients include Appropriations Committee Chairman Bill Young, Judiciary Committee Chairman Henry Hyde, and Rep. Bill Thomas, Chairman of the Health Subcommittee of the powerful House Ways and Means Committee.

In fact, according to press reports, Rep. Bill Thomas, one of the key Republicans involved in drafting prescription drug legislation, held a \$2000-per-person fundraiser hosted by drug industry giant Eli Lilly & Co. with drug industry executives.

Further, according to the fact sheet for the Republican "House-Senate Dinner" held on June 23 of this year, the drug industry was one of the largest contributors to that Republican fundraising fete. The giant drug companies Amgen and Bristol-Meyers Squibb were "Co-Chairmen" of the event, raising at least \$100,000 each for the dinner. Other drug industry companies – Glaxo Wellcome, Novartis, Pfizer, Schering-Plough, SmithKline Beecham and

Rhone-Poulenc Rorer – were all “Sponsors” raising \$15,000 to \$20,000 each, as was PhRMA the industry’s official lobbying group. Five days later, the Republican leadership scheduled a vote on their sham prescription drug bill – supported by the drug companies – and denied a vote on the Democratic prescription drug substitute bill.

The Industry Got What It Paid For: GOP Leadership Has Successfully Blocked A Real Medicare Prescription Drug Benefit

The pharmaceutical industry has certainly succeeded in getting what they paid for – as the 106th Congress comes to a close, it is clear that a Medicare prescription drug benefit is dead for the year.

President Clinton and congressional Democrats have been fighting for a voluntary, affordable Medicare prescription benefit for all of America’s seniors since June 1999. At first, in 1999, the GOP leadership and their special-interest allies, the drug companies, simply tried to kill the Democratic proposal outright. For example, the Citizens for Better Medicare put out ads saying that President Clinton wanted to put “the government in your medicine cabinet.”

However, this year, the GOP leadership and their special-interest allies decided that the best way to kill real prescription coverage through Medicare – which drug companies oppose because they claim it would endanger their high profit margins – was to offer a sham proposal of their own.

Hence, on June 28, by the narrow margin of 217 to 214, House Republicans passed their own prescription coverage proposal – a proposal supported by the drug companies. Unlike the Democratic proposal, the GOP “fig-leaf” bill does NOT add a prescription drug benefit to the Medicare program. Instead, the GOP bill provides incentives for private insurance companies to offer seniors “drug-only” policies.

A fundamental flaw in the House GOP bill is that the private insurance companies themselves say it won’t work. For example, Charles Kahn, head of the Health Insurance Association of America, has said, “We believe that the concept of so-called drug-only private insurance would not work in practice.” Similarly, the Blue Cross-Blue Shield Association put out a press release stating, “Private stand-alone prescription drug insurance for Medicare beneficiaries will not work.”

Not only would the GOP “fig-leaf” bill fail to work; it is truly a complete sham because it fails to do what its GOP authors advertise it would do -- it fails to provide America’s seniors access to affordable prescription drugs and it fails to offer prescription drug coverage through Medicare. Some of its key flaws are the following:

- **The House GOP bill does not make prescription drug coverage affordable.** The bill does not provide direct premium assistance for middle-income seniors. Republicans subsidize insurers, but do nothing to assure that those premium subsidies will be passed on to seniors.

- **The House GOP bill is ineffective in obtaining better prescription drug prices for seniors.** Instead, it creates small purchasing groups that will have little leverage in getting better prices for seniors.
- **The House GOP bill is the first step toward privatizing Medicare** – forcing seniors to deal with private insurance companies, instead of having the choice of getting their prescriptions through Medicare.

Not surprisingly, when the House GOP “fig-leaf” bill was sent to the Senate, it died there. **Now, as the 106th Congress draws to a close, it is clear that the political calculations of the House GOP leadership that passing a “fig-leaf” prescription drug bill would derail any possibility that a real Medicare prescription drug benefit would be enacted this year has worked.**

(Another recent example of the clout of the pharmaceutical industry among Republicans is as follows. Under increased public pressure to reverse their hatchet job on a prescription drug benefit, Congressional Republicans latently decided to seek some political cover with bipartisan “drug reimportation” provisions – designed to provide Americans access to lower-priced prescription drugs from other countries. However, then the Republicans’ special-interest friends – the drug companies – stepped in and insisted on inserting so many loopholes in these provisions that the provisions now sent to the President as part of the Agriculture Appropriations bill are completely meaningless and will offer no improved access to lower-priced drugs.)

The cynical GOP political strategies seem to have been successful. As Congress closes, House Republicans are busily running highly misleading television ads claiming that they passed a bill that meets seniors’ prescription drug needs – Senate Republicans (feeling under less electoral pressure) never got around to bringing a bill to the Floor – and the White House has had no interest in pursuing the House-passed prescription drug bill because it was so deeply flawed. Hence, at the end of the day, the only group that comes out a winner is the pharmaceutical industry – with America’s seniors losing out once again.

II. Working With the HMO & Health Insurance Industries & Employer Groups, GOP Leadership Has Blocked Real Managed Care Reform

“Republicans are in the grip of the huge money from the insurance companies and the HMOs.”

Senator John McCain

Los Angeles Times, December 1999

A second key issue where the GOP leadership has worked with their special-interest allies is spending two years BLOCKING real managed care reform. Poll after poll shows that the American public strongly supports a strong, enforceable Patients' Bill of Rights. For example, a Kaiser/Harvard poll found that 72% of Americans support a Patients' Bill of Rights that includes “giving people the right to sue their health plan,” with the support nearly as strong among Republican voters (68% in favor) as among Democrats.

However, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies – the HMO and health insurance industries and employer groups that vehemently oppose a real Patients' Bill of Rights. In 1997, the HMO and health insurance industries and employer groups banded together and created the Health Benefits Coalition – a coalition specifically created to defeat meaningful managed care reform in Congress. The members of the Health Benefits Coalition have been major contributors to GOP candidates and party committees ever since. As will be seen below, as of June 2000, the members of the Health Benefits Coalition had already given \$4.6 million to GOP candidates and party committees in this election cycle – with millions more likely given in the last few months.

The Activities of the Health Benefits Coalition in Working to Defeat Real Managed Care Reform

As was mentioned above, in 1997, the HMO industry and health insurance industry joined with employer groups to form the Health Benefits Coalition (HBC) specifically to fight meaningful managed care reform. The coalition includes insurance and employer groups such as the American Association of Health Plans, the American Insurance Association, the Business Roundtable, the Health Insurance Association of America, and the Chamber of Commerce. The HBC is headed by Dan Danner, who is also the president of the National Federation of Independent Business.

Here are some key facts about the activities of the Health Benefits Coalition in working to kill meaningful campaign finance reform over the last four years:

- C In the 1997-1998 election cycle, the Health Benefits Coalition gave Republican candidates and Republican party committees **a total of \$7.6 million** -- in their effort to ensure the defeat of meaningful managed care reform.
- C As of June 2000, the Health Benefits Coalition has given another \$4.8 million to Republican candidates and Republican party committees in the current election cycle -- with later data reports likely to show massive new contributions over the last few months.

- C Republican House members received ten out of ten of the top HBC donations through June 2000. Among these members were Speaker Dennis Hastert who received over \$60,000; Rep. Bill Thomas, Chairman of the Health Subcommittee of the powerful House Ways and Means Committee who received over \$76,000; and Republican Chief Deputy Whip Roy Blunt who received over \$38,000.
- C Overall, in just the second six months of 1999, Speaker Hastert received \$113,000 from the health care industry for his campaign committees.
- C Recently, the Health Benefits Coalition was criticized for running a misleading ad campaign quoting Senator Joe Lieberman, the Democratic Vice Presidential nominee. In the HBC-sponsored ad, Lieberman is quoted as opposing the real, bipartisan patient's bill of rights legislation. In fact, the statement by Senator Lieberman was made three weeks before the bill in question was even introduced and the Senator actually voted for the bill which the industry ad claims he opposed.
- C In May 2000 alone, the Health Benefits Coalition pledged to spend \$150,000 in 30 Republican districts to pressure moderates who have supported real HMO reform.
- C HBC targeted the 68 Republicans who voted for the real Patients' Bill of Rights, the Norwood-Dingell Bill and deluged them with lobbying, claiming dire consequences for businesses should the real Patients' Bill of Rights become law.
- C According to Public Citizen, "Senate Republican [Leader] Lott and [Republican Whip] Nickles have established intimate 'iron triangle' working relationships with the two leading HBC [organizations]: the Blue Cross and Blue Shield Association and the National Federation of Independent Business." Senator Lott received \$134,000 and Senator Nickles receive \$118,000 from HBC between 1995 and 1999.

Some Specific Activities of the American Association of Health Plans in Working to Defeat Real Managed Care Reform

A key partner in the Health Benefits Coalition has been the American Association of Health Plans. The American Association of Health Plans (AAHP) is the trade association for the HMO industry. Following are a couple of key facts on their individual activities in trying to kill a real Patients' Bill of Rights.

- C The American Association of Health Plans (AAHP) all by itself **spent nearly \$2.5 million to lobby against Patient's Bill of Rights last year.**
- C In April 2000, the American Association of Health Plans spent \$200,000 for a round of advertisements against a Patient's Bill of Rights which claimed that doctor's errors are the actual cause of high healthcare costs and result in many unnecessary deaths. The AMA president stated that the ad campaign is "clearly...to direct attention away from holding [insurance companies] accountable when they deny needed care." Here is what the American Medical Association, American Nurses Association, and American Hospital Association had to say about this misleading AAHP ad campaign:

"The American Association of Health Plans campaign crossed a sacred line and will undermine public confidence in health care for political benefit." [against the how the America

The Industry Got What It Paid For: GOP Leadership Has Successfully Blocked Real Managed Care Reform

The HMO industry, health insurance industry, and employer groups have certainly succeeded in getting what they paid for – as the 106th Congress comes to a close, it is clear that real managed care reform is dead for the year.

Back in October of 1999, the House GOP leadership did everything that they could in their attempt to defeat a strong, enforceable Patients' Bill of Rights on the House Floor. They backed a much weaker bill – but, despite their muscle, were unable to pass it.

Ultimately, on October 7, 1999, despite the fierce opposition of the House GOP leadership and to the chagrin of the HMO and health insurance industries, Democrats and a group of Republicans were successful in passing the strong, enforceable Dingell-Norwood Patients' Bill of Rights – by a bipartisan vote of 275 to 151, with 68 moderate Republicans defying the GOP leadership to support the bill. As CQ Weekly reported at the time: *"The 275-151 vote on October 7...was another defeat for GOP leaders."*

Despite their stunning defeat on the House Floor in October 1999, the House and Senate GOP leadership have been successful in the intervening year in blocking the Dingell-Norwood bill from ever seeing the light of day again.

Upon passage in October 1999, the Dingell-Norwood bill then went to a conference committee with the Senate (in July 1999, the Senate GOP leadership had pushed through a watered-down "reform" bill.) One of the key strategies that the House GOP leadership then used to kill Dingell-Norwood was to stack the conference committee. Despite the fact that 68 Republicans (one-third of the GOP Conference) had voted in favor of Dingell-Norwood, only one of the 13 Republicans named to the conference committee by Speaker Hastert had voted for the bill!

Then the GOP leadership successfully used the tactic of **delay, delay, delay** over the last year to kill the Dingell-Norwood bill in conference. Indeed, a conference committee (chaired by Senate GOP Whip Nickles) has been in existence since November 2, 1999 and yet has **never** reported a conference report for the House and Senate to consider.

On June 8, 2000, it became clear how close the supporters of real managed care reform were to victory. On that day, Sens. Kennedy and Daschle offered the Dingell-Norwood bill as passed by the House on the Senate Floor, as the Senate was considering the DOD Authorization bill. The Nickles motion to table (thereby killing) the Dingell-Norwood bill only passed with 51 votes - with 4 Republican Senators and all Democrats present voting NO. This shows that there were 49 solid votes for real reform in the Senate.

Then, on June 29, in a step backward, Sen. Nickles offered a slightly modified version of the flawed Senate GOP Leadership bill from 1999 as an amendment to the Labor-HHS-Education bill, barely passing it again with only 51 votes - with the same four GOP Senators who favor real reform voting NO. Here is how the American Medical Association described this latest version of the GOP bill:

“The Nickles bill [passed by Senate Republicans as an amendment to the Labor-HHS- Education bill on June 29] reads like a cut-and-paste wish list written by and for the insurance industry. ...Many other national organizations representing health professionals and patient groups have also come to the conclusion that the Nickles language was drafted to protect [HMOs] and is worse than current law.”

E. Ratcliffe Anderson, AMA Executive Vice President
July 19, 2000

Since June, the stalemate and the delay orchestrated by the House and Senate GOP leadership have continued and it seems clear that the 106th Congress will adjourn without a Patients' Bill of Rights being sent to the President's desk for his signature.

III. Working with Employer Groups, GOP Leadership Has Delayed Minimum Wage Increase for Three Years

“The House agreed today to increase the federal minimum wage by a dollar an hour but coupled the measure to a \$123 billion tax-cut package sponsored by the Republicans and subject to a threatened veto by President Clinton – thereby imperiling the raise in the minimum wage.”

New York Times, 3/10/00

A third key issue where the GOP leadership has worked with their special-interest allies is spending three years DELAYING a minimum wage increase. The American public has voiced strong support for a minimum wage increase over the last couple of years. For example, an ABC News poll in late 1999 found that 83% of Americans support a minimum wage increase, with the support nearly as strong among Republican voters (67% in favor) as among Democrats.

However, once again, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies – the employer groups that oppose a minimum wage increase. Indeed, the National Federation of Independent Business (NFIB) and a variety of related special-interest groups that are vehemently opposed to a meaningful minimum wage increase have poured millions into Republican campaign coffers. Specifically, the NFIB and four other active groups (National Restaurant Association, National Retail Federation, Chamber of Commerce, and National Association of Convenience Stores) contributed a total of \$2.6 million to Republican candidates and party committees in the 1997-1998 election cycle (\$2.3 million in PAC contributions; \$294,000 in soft money). For the 1999-2000 election cycle, as of June 2000 (the latest data available), these groups had already showered GOP candidates and party committees with \$2.7 million (\$2.09 million in PAC contributions; \$610,000 in soft money) – with considerably more likely given in the last few months.

An example of these employer groups attempting to use their contributions and leverage to block a minimum wage is the National Restaurant Association. For example, in late September, more than 680 restaurateurs converged on Washington for the National Restaurant Association's Public Affairs conference and spent their time pushing for tax credits and opposing the minimum wage increase now before Congress (National Restaurant News, 10/9/00). The Restaurant Association is now viewed as the 10th most influential lobbying group in Washington and makes no secret of using its muscle to push its pro-business agenda. “Members of Congress who display the right votes on the right issues will find support.” said Steven C. Anderson, president of the Association. (Restaurants and Institutions, 10/1/00) The National Restaurant Association – which is “strongly” opposed to an increase in the minimum wage – claims it will have distributed \$1 million to pro-business candidates (90% Republicans) by the end of the current election cycle.

Employer Groups Got What They Paid For: GOP Leadership Has Successfully Delayed Minimum Wage Increase for A Full Three Years

President Clinton and congressional Democrats have been pressing for a one-dollar increase over two years in the minimum wage since January 1998. Indeed, in each of his last three State of the Union Addresses, President Clinton has highlighted his call for this increase. And yet, since January 1998, congressional Republicans have been blocking this minimum wage increase. This GOP delay has cost minimum wage workers and their families needed income.

The issue of raising the minimum wage is, more than anything else, an issue of simple justice for millions of hard-working Americans. Justice on this issue has been delayed for too long. People who work to support a family earning the minimum wage have seen their paychecks eroded by inflation. The purchasing power of the minimum wage today is **29% below** what it was in 1968. This is largely due to the fact that during the 1980s, a Republican Administration insisted on freezing the minimum wage at \$3.35.

After delaying action for two years, late in 1999, House and Senate Republicans decided that the best way to fight off a reasonable minimum wage increase was to play politics with the issue. House and Senate Republicans came up with three tricks up their sleeves. First, the minimum wage bills that Republicans drafted failed to give minimum wage workers a dollar increase over two years, spreading the increase out over three – thereby shortchanging these workers. Secondly, Republicans attached to their minimum wage bills anti-worker rollbacks in overtime protections. Thirdly, displaying the height of cynicism, House and Senate Republicans both attached to their minimum wage bills packages of massive, special-interest tax breaks that they knew the Administration had vowed to veto.

Senate Republicans acted first. In November 1999, they passed a minimum wage proposal that: 1) spread the one-dollar increase over three years; and 2) included a package of special-interest tax breaks totaling over \$50 billion over ten years.

Then, on March 9, 2000, House Republicans finally brought a minimum wage bill to the Floor. The House GOP minimum wage proposal, like the Senate GOP bill, spread the one-dollar increase out over three years. Fortunately, however, Democrats and moderate Republicans were successful in amending the GOP bill to provide the increase over two years instead. In addition, House Republicans attached to the minimum wage bill a package of special-interest tax breaks even larger than the Senate Republicans' – tax breaks totaling \$123 billion over ten years -- as well as anti-worker rollbacks in overtime protections.

While the House Republicans called their tax bill a "Small Business" tax cut, targeted to help small businesses cope with the costs of an increased minimum wage, those that would actually benefit the most from their bill were big businesses and the most wealthy. Indeed, more than 73% of the benefits of the tax breaks would go to the top 1% of taxpayers – people with incomes over \$319,000.

Then, on August 23, 2000, Speaker Hastert wrote to President Clinton – claiming that it would be a "balanced approach" to attach \$76 billion in special-interest tax breaks to the minimum

wage increase, instead of the \$123 billion in special-interest tax breaks in the GOP House-passed bill !! This \$76 billion GOP tax package includes \$48 billion for an above-the-line deduction for the purchase of health insurance, which would mostly benefit the healthy and wealthy. Indeed, an analysis by the nonpartisan Joint Committee on Taxation showed that the tax deduction would only lead to an increase of 1.6 million in the number of people who are able to purchase health insurance – out of the 43 million who are uninsured. Furthermore, Speaker Hastert tried to make it appear that dropping estate tax relief from the GOP tax package was a concession – and yet there was a veto-proof margin in the House to sustain the President's veto of the GOP estate tax relief provisions!! In addition, in his letter, Speaker Hastert also proposed attaching to the minimum wage increase even further rollbacks in overtime protections than those that were included in the House-passed bill!!

Hence, in the waning days of the 106th Congress, with utter cynicism, House and Senate Republicans continue to hold a minimum wage increase for hard-pressed working families hostage to a large tax cut package targeted to their wealthy friends and anti-worker rollbacks in overtime protections.

IV. Working with Religious Right, GOP Leadership Has Blocked Public Education Initiatives

"[The GOP education agenda is] to shift federal aid away from public schools, while making it easier for parents to send their children to private schools."

Washington Times, 10/20/97

A fourth key issue where the GOP leadership has worked with their special-interest allies is spending two years BLOCKING key initiatives to improve public education. National poll after national poll has found that the American public now places improving public education as the number-one issue facing the country.

However, as with prescription coverage for seniors and managed care reform, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies – in this case the Religious Right that favors shifting federal aid away from public schools and towards private and religious schools. For example, groups such as the Christian Coalition, Eagle Forum, and Traditional Values Coalition, which have pushed for shifting taxpayer dollars from public education to private education, focus their campaign contributions on Republican candidates. These three groups gave a total of \$400,000 to GOP candidates and party committees in the last election cycle. In the 1999-2000 election cycle, as of June 2000, the Eagle Forum and Traditional Values Coalition had given a total of \$75,400 to GOP candidates and party committees (the Christian Coalition has not made contributions this election cycle).

Typical of the attitude of the Religious Right towards federal support for public education is that of Pat Robertson, head of the Christian Coalition, as recently reported in the Washington Post. "[Christian Coalition head Pat] Robertson pointedly parted company with drafters of this year's Republican party platform by calling for an end to the U.S. Department of Education." (Washington Post, 8/2/00)

Blocking Democratic Agenda to Improve Public Education

Ever since January 1999, Democrats have been promoting a multi-pronged agenda to improve education – including initiatives to reduce classroom size, improve the quality of teaching, modernize our school facilities, institute new accountability measures, and increase access to higher education. Instead of joining hands with Democrats to adopt these initiatives, the House GOP leadership has been doing their best to kill them.

For example, once again this fall, the House GOP leadership is trying to kill President Clinton's class size reduction initiative. In the tentative Labor-HHS-Education conference report that the GOP leadership has been promoting since July, Republicans eliminate targeted funding for class size reduction. Elimination of targeted funds for class size reduction would jeopardize the federal commitment to hire as many as 20,000 new teachers next year, as well as to continue support for the 29,000 teachers already hired. Similarly, the House GOP leadership continues to block the critically-important School Modernization Initiative, which Democrats have been promoting since 1996. On March 28, Rep. Nancy Johnson (R-CT) joined with Rep. Charles Rangel (D-NY) to introduce a bipartisan School Modernization

Initiative (H.R. 4094) – which is very similar to the original Democratic initiative. This bipartisan initiative would provide federal tax credits to pay interest on \$25 billion in bonds to build and modernize 6,000 public schools. And yet the GOP leadership continues to block this bipartisan initiative.

Instead, Promoting GOP Agenda To Undermine Public Education

Instead of working with Democrats to enact major initiatives to improve the nation's public schools, the GOP leadership continues on an opposite course – promoting the same failed GOP agenda focused on diverting scarce taxpayer dollars from public schools in order to subsidize attendance at private and religious schools. Key components of the GOP education agenda remain the following:

- **Education Savings Accounts** – One of the GOP top priorities remains Education Savings Accounts, which the President has already vetoed twice. These accounts divert scarce taxpayer dollars to subsidize attendance at private and religious schools. They are also yet another tax break for the wealthy, with 70% of the tax benefits going to the top 20% of wealthiest families.
- **Private and Religious School Vouchers** – Federal funding for school vouchers, which also divert precious public resources to private and religious schools, has also remained a top GOP priority. For example, on October 21, 1999, more than three-fourths of Republicans voted for an amendment offered by House Majority Leader Armey to create a \$100 million program of federally-funded vouchers for private and religious school tuition. Fortunately, it was defeated.
- **Education Block Grants** – Finally, Republicans have also been pursuing their GOP education block grant proposals throughout the 106th Congress. For example, on October 21, 1999, the GOP Congress passed a GOP Education Block Grant bill (the “Straight A’s” bill), block-granting three-fourths of federal education programs (including Title I, Class Size Reduction, Teacher Training, and Safe and Drug-Free Schools) in a ten-state pilot program.

V. Working with Gun Lobby, GOP Leadership Has Blocked Common-Sense Gun Safety Measures

“The 106th Congress, nearing adjournment, has failed to pass a single gun control measure of any consequence. The thousands of mothers and their families who gathered four months ago to try to jolt legislators into action are still waiting for a response. America’s sad global leadership in gun violence, both criminal and accidental, remains unchallenged. And the list of sensible gun safety measures that deserve attention lies on the table untouched.”

Washington Post Editorial
9/10/00

A fifth key issue where the GOP leadership has worked with their special-interest allies is spending two years BLOCKING bipartisan, common-sense gun safety measures. Support for common-sense gun safety measures is overwhelming among the public. For example, an ABC News/Washington Post poll conducted in early May found that 81% of the American public supports child safety locks on handguns. Similarly, the same poll found that 92% of the American public supports background checks on people buying guns at gun shows.

In fact, the gun lobby itself is aware of Americans’ broad support for common-sense gun safety measures. In September, the board of the National Rifle Association (NRA) declined to endorse George W. Bush for President because officials of the association did not want to damage Bush’s candidacy by associating him too closely with the NRA. Perhaps, the NRA is particularly sensitive on appearing too close to George W. Bush, since videotape caught a Vice President of the NRA telling a NRA gathering that, if Bush were elected President, the NRA could work right out of the Oval Office!!

The issue of easy-to-obtain guns getting into the hands of children and criminals remains a key issue in America. Statistics show that more than 30,000 Americans die annually by gunfire, a toll that includes 4,000 children and teenagers. Yet, as the New York Times (9/5/00) has put it, *“Congress has been shamelessly servile to the demands of the National Rifle Association, refusing to approve even the most modest measures that might help curb gun violence.”*

Once again, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies - the gun rights lobby that opposes modest, common-sense gun safety measures.

The Gun Lobby Is A Major Contributor to Republicans

The gun lobby is a **major** campaign contributor to Republicans and GOP party committees. The National Rifle Association is the predominant donor of the gun lobby, accounting for nearly 90% of the lobby’s giving over the last decade.

- C In the 1997-1998 election cycle, the gun lobby gave \$1.9 million in soft money, PAC, and individual contributions to GOP candidates and GOP party committees.
- C Similarly, in this election cycle, as of June 2000 (the latest data available), the gun lobby has given **\$2 million** in soft money, PAC, and individual contributions to Republican candidates and Republican party committees.
- C **Overall, in the current election cycle, the NRA brags that it will spend \$15 million in about two dozen House and Senate races. These donations, according to the National Journal, are "...increasingly tilted to helping Republicans keep control of Congress and win the White House."**

Individual Republicans in Congress have also directly benefitted from the flood of special-interest gun money flowing into GOP coffers.

- C Nine of the top ten recipients of gun money in the current election cycle are Republicans.
- C GOP leaders including Majority Leader Dick Armey, Majority Whip Tom Delay, and Republican Conference Chairman J. C. Watts have all received large contributions of \$10,000 or more from the NRA to their PACs or election campaigns.
- C The NRA also gave the Republican National Convention a gift of \$150,000, which, according to the National Journal, bought the NRA's Executive Vice President Wayne LaPierre and its Political Director James Baker access to "a convention skybox just a few doors from the suite of [Republican] Senate Majority Leader Trent Lott."

The Gun Lobby Has Gotten What It Paid For: GOP Leadership Has Successfully Blocked All Common-Sense Gun Safety Measures

The gun lobby has certainly succeeded in getting what it paid for – as the 106th Congress comes to a close, it is clear that common-sense gun safety measures are dead for the year.

It has now been 18 months since the tragic mass shooting at Columbine High School in Littleton, Colorado – a mass shooting that sparked a national debate on the need to reduce gun violence, including making it more difficult for children and criminals to acquire guns. And yet Congress has sent no gun safety measures to the President's desk.

Instead, the Republican leadership has used the strategy of **delay, delay, delay** on juvenile justice and gun safety ever since the Senate passed its version of the juvenile justice bill, with bipartisan, common-sense gun safety provisions, way back on May 20, 1999. The bipartisan, common-sense gun safety provisions passed by the Senate included the following:

- C **Gun Show Loophole:** Closing the gun show loophole, by extending the same Brady background checks that have proven effective in keeping guns out of the hands of felons at gun shops to cover gun shows;

- C **Child Safety Locks:** Requiring child safety locks with every handgun sold;
- C **Extending Brady Law to Cover Violent Juveniles:** Banning violent juveniles from owning guns as adults; and
- C **Ammunition Clips:** Banning the importation of all large-capacity ammunition magazines.

The strategy of **delay, delay, delay** on the part of the Republican leadership over the last year and a half on the juvenile justice/gun safety bill has included the following:

- C After the Senate passage of the juvenile justice/gun safety bill on May 20, 1999, it took four weeks for the House GOP leadership to bring up and pass a juvenile justice bill which it finally did on June 17 (although without gun safety provisions);
- C It took another six weeks for conferees to be appointed with the Senate conferees named on July 28, 1999 and House conferees named on July 30, 1999;
- C And now there has been a conference committee on the juvenile justice bill in existence for almost 15 months and yet **the conference committee has never held a single substantive meeting!!** (It did have a procedural, “pro forma” meeting on August 5, 1999.)

On March 15, 2000, the House adopted by a bipartisan vote of 218 to 205 the Lofgren motion that instructed the conferees to hold their first substantive meeting by March 29, 2000. Despite the fact that this motion was adopted by a bipartisan vote of 218 to 205, the Republican Leadership simply ignored the motion - allowing the March 29th deadline to pass without any action. Then, even more cynically, on April 11, 2000, Republicans voted along with Democrats in favor of the Conyers-Carson-Jackson-Lee-McCarthy motion for the conferees to meet (which passed by the overwhelming vote of 406 to 22) - but they continued to refuse to follow through on their own vote by convening a meeting of the conference!

It now seems clear that the 106th Congress will adjourn without the juvenile justice/gun safety conference committee ever even holding a single substantive meeting – let alone ever reporting a conference report to the House and Senate for consideration!!

Hence, at the end of the day, the only group that comes out a winner is the gun lobby – with the safety of America’s children losing out once again.

VI. Working with Big Money Donors, GOP Leadership Has Blocked Campaign Finance Reform

“Take away ‘soft money’ and we wouldn’t be in the majority in the House and the majority in the Senate and couldn’t win back the White House. Hell’s going to freeze over first before we get rid of soft money.”

Sen. Mitch McConnell, Washington Post, 4/11/99

Finally, a sixth key issue where the GOP leadership has worked with their special-interest allies is spending two years BLOCKING meaningful campaign finance reform. National polls have consistently shown that Americans strongly support meaningful campaign finance reform – including the banning of soft money. For example, a recent ABC News/Washington Post poll found that 66% of Americans supported significant campaign finance reform.

However, once again, instead of siding with the American public, the GOP leadership has been siding with their special-interest allies – big-money donors. As Sen. McConnell pointed out in the quote above, the Republicans are dependent on massive contributions from their wealthy friends and special-interest allies – and therefore do not want reform. For example, in the 1997-1998 election cycle, the Republican party collected \$265 million in campaign contributions – whereas the Democratic party collected \$161 million. In other words, the Republican party collected 65% more than Democrats. Similarly, so far in the 1999-2000 election cycle, the Republican party has collected \$375 million in campaign contributions – whereas the Democratic party has collected \$268 million. In other words, the Republican party has collected 40% more than the Democrats so far this cycle.

What Big-Money Donors Have Gotten: The GOP Leadership Has Successfully Blocked Meaningful Campaign Finance Reform

Big-money donors have gotten what they have wanted from this GOP Republican Congress – continued ability to use big-money donations to exert their influence. As the 106th Congress comes to a close, it is clear that meaningful campaign finance reform is dead for the year.

Back in September 1999, after months of resistance by the GOP leadership and a last-minute attempt by the leadership to sabotage campaign reform with an unfair rule and “poison pills,” the House was finally able to have a clean up-or-down vote on the meaningful, bipartisan Shays-Meehan campaign finance reform bill (the House version of the McCain-Feingold bill).

On September 14, 1999, the House passed the Shays-Meehan bill, which banned soft money, by a bipartisan vote of 252 to 177 – with 54 Republicans defying the GOP leadership to support the bill.

However, despite the passage of the Shays-Meehan bill by the House, no major campaign finance reform bill has been sent to the President’s desk over the last 13 months!! Instead, the GOP leadership has been spending the last 13 months working to ensure that major campaign finance reform does not become law.

Since the House and Senate GOP leadership are siding with their big-money contributors instead of with the American public, it is not surprising that the Shays-Meehan bill after it passed the House has been successfully blocked in the Senate. Specifically, in October 1999, the Senate GOP leadership successfully filibustered the Shays-Meehan bill. On the key vote, only 52 Senators voted to invoke cloture, which would have allowed Shays-Meehan to be debated and voted upon – when 60 votes were needed. Upon conclusion of the vote on cloture, Senate Majority Leader Trent Lott declared campaign finance reform “dead” for this Congress.

Despite the success of the GOP leadership in blocking a major campaign finance reform bill, such as the Shays-Meehan bill, Democrats and moderate Republicans have had one significant victory this year -- the enactment of a narrower bill requiring disclosure of donors by “Section 527” political groups. The ultimate passage of this bill in the House marked a sharp reversal by House Republicans who had spent several weeks vigorously opposing it – indeed, voting against it on May 25 (on a motion to recommit) and again on June 9 (on another motion to recommit.) However, the galvanizing event was on June 8 when Sen. McCain won approval of the measure by the Senate (originally as an amendment to the DOD authorization bill) with the votes of 43 Democrats and 14 Republicans. Ultimately, the GOP leadership saw the handwriting on the wall, allowed the bill to move forward, and ultimately allowed it to be sent to the President. As the New York Times (6/29/00) reported, *“The vote [in favor of the bill] was a stern rebuke to House and Senate Republican leaders who had tried to kill the measure.”*

However, supporters of campaign finance reform have argued that, although enactment of the Section 527 disclosure bill was a useful step, Congress should enact a much broader bill, such as the Shays-Meehan bill, before adjournment. For example, after the Section 527 disclosure bill was sent to the President’s desk, Sen. McCain – one of the bill’s authors – pointed out: *“This bill [the 527 disclosure bill] will not solve what is wrong with our campaign finance system. It will not do away with the millions of soft-money dollars that are polluting our elections.”* (CQ Weekly, 7/1/00)

However, despite calls by Sen. McCain and others for action on broad, meaningful campaign finance reform before adjournment, it is now clear that the Congress will adjourn next week without sending to the President a strong campaign finance reform bill. Once again, big-money donors will be the winners – and the American people will be the losers.